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February 22, 1985

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*FCC  
Ownership  
Report 323*  
**BY HAND**

Mr. William J. Tricarico  
Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Room 222  
Washington, D.C. 20554

RECEIVED  
FEB 22 1985  
FCC  
Office of the Secretary

Re: WHCT-TV; Hartford, Connecticut (Channel 18)

Dear Mr. Tricarico:

Astroline Communications Company Limited Partnership, through counsel, hereby files its Ownership Report (FCC Form 323) for its construction permit for a television station to operate on Channel 18 in Hartford, Connecticut. I have appended a copy of the following documents:

1. Limited Partnership Agreement and Certificate of Astroline Communications Company Limited Partnership;
2. By-Laws of WHCT Management, Inc.; and
3. Articles of Organization of WHCT Management, Inc.

If you have any questions regarding the enclosed documents, please contact the undersigned.

Sincerely,

*Thomas A. Hart, Jr.*  
Thomas A. Hart, Jr.

Enclosures

TAH/tdh

United States of America  
Federal Communications Commission  
Washington, D.C. 20554

### Ownership Report

NOTE Before filling out this form, read instructions printed on Page 4.

Section 310(b) of the Communications Act of 1934 requires that consent of the Commission must be obtained *prior* to the assignment or transfer of control of a station license or construction permit. This form may *not* be used to report or request an assignment of license or transfer of control (except to report an assignment of license or transfer of control made pursuant to prior Commission consent).

I certify that I am General Partner  
(Official title, see Instruction 9)  
of Astroline Communications Company Limited  
(Exact legal title or name of licensee or permittee)  
Partnership  
that I have examined this report; that to the best of my knowledge, information, and belief, all statements of fact contained in said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth herein.  
(Date of certification must be within 30 days of date shown in Item 1 when box 1(a) is checked and in no event prior to Item 1 date.):

Richard P. Manning February 22, 1985  
(Signature of respondent)

Telephone No. of respondent (include area code)

Any person who willfully makes false statements on this report can be punished by fine or imprisonment. U.S. Code, Title 18, Section 1001 (formerly Section 80)

Name and post office address of licensee or permittee:

Astroline Communications Company Ltd. Partnership  
185 Asylum Street  
City Place/31st Floor  
Hartford, CT 06103

1. All of the information furnished in Items 1-8 is reported as of  
February 22, 19 85 (Date must comply  
with Section 73.3615(a) when box 1(a) below is checked.)  
This report is filed pursuant to Instruction (check one)

1(a) ☐ Renewal 1(b) ☒ T.C., A.L.  
or C.P. 1(c) ☐ Change of  
prior report  
for the following stations:

Call letters	Location	Class of service
WHCT	Hartford, CT	TV

2. Give the name of any corporation or other entity having a direct or indirect ownership interest in the licensee or permittee (see Instruction 4)

WHCT Management, Inc. (See Exhibit 1)

3. Show the interests in any other broadcast station of the licensee or permittee, or any of its officers, directors, stockholders, or partners. (Corporations having more than 50 stockholders need answer this only with respect to officers and directors, or stockholders having 1% or more of voting stock.)

None

4. Name of corporation, if other than licensee or permittee, for which report is filed (see Instruction 4):

N/A

5. If permittee or licensee is a partnership, state the extent of interest of each partner.

See Exhibit 2

6. List all contracts and other instruments set forth in Section 73.3613 of the Commission's Rules and Regulations

Description of contract or instrument	Name of person or organization with whom contract is made	Date of execution	Date of expiration
Limited Partnership Agreement and Certificate	N/A	5/29/84	Continued in perpetuity unless amended

## 7(a). Capitalization

Class of stock (preferred, common or other)	Voting or non-voting	If par, show par value	If no par show stated value or value assigned	Number of shares				Number of Stockholders
				Authorized	Issued and outstanding	Treasury	Unissued	
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	More than 50 Holders of Voting Stock No <input type="checkbox"/> Yes <input type="checkbox"/> More than 50 Holders of Non-Voting Stock No <input type="checkbox"/> Yes <input type="checkbox"/>

## 7(b). Officers, directors and stock held by each: (See Instructions 3, 4, 5, 6, 7 and 8)

Name of residence and officers and directors	Citizenship	Office of Directorship		Number of class of stock		Other	Number of Votes	Percentage of voting stock held	Name of person replaced, if any
		Office held and date elected	Director - date elected	Common	Preferred				
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Remarks concerning family relationship, qualifying shares, etc.: (See Instructions 5 and 6)

N/A

8 List transactions concerning the ownership of stock. (If transaction involves more than one class of stock, the following should be answered with respect to each class.)

Note: (Read carefully) The numbered items now refer to line numbers in the following table. Lines 1 thru 17 should be filled out completely when this form is filed to report stock transactions pursuant to Instruction 1(c). Lines 1 thru 8, inclusive, should be filled out when the form is used to report ownership after receipt of original construction permit, or consummation, pursuant to Commission consent, of a transfer of control, or assignment of license, pursuant to Instruction 1(b). Lines 1 thru 6, inclusive, should be filled out when the form is used to report pursuant to Instruction 1(a). Use one column per stockholder. (Attach additional pages if necessary.)

- |  |  |
|--|--|
| <p>Line</p> <p>1 - Name and residence of transferee, purchaser, or stockholder (If other than an individual also show name, address, and citizenship of natural person authorized to vote the stock acquired.)</p> <p>2 - Citizenship</p> <p>3 - Number of shares</p> <p>4 - Number of votes</p> <p>5 - Class of stock (Common CM, Preferred PF, Other)</p> <p>6 - Par or stated value</p> <p>7 - Total consideration paid (If other than cash, describe fully.)</p> <p>8 - Date of acquisition</p> <p>9 - Number of shares of stock held by purchaser or transferee prior to this transaction</p> <p>10 - Percentage of issued stock in corporation held by purchaser or transferee prior to this transaction</p> | <p>Line</p> <p>11 - Total number of shares of stock held by purchaser or transferee subsequent to this transaction</p> <p>12 - Percentage of issued stock in corporation held by purchaser or transferee subsequent to this transaction</p> <p>13 - From whom stock acquired</p> <p>14 - Number of shares of stock held by seller or transferor prior to this transaction</p> <p>15 - Percentage of issued stock held by seller or transferor prior to this transaction</p> <p>16 - Number of shares of stock held by seller or transferor subsequent to this transaction</p> <p>17 - Percentage of issued stock held by seller or transferor subsequent to this transaction</p> |
|--|--|

1	(a)	(b)	(c)
	N/A	N/A	N/A
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			

Remarks: (See Instructions 3, 7 and 8.)

N/A

Note: The purpose of the above computation is to assist the licensee or permittee in determining whether the transaction in question involves a transfer of control. If such is the case, the transaction cannot be authorized until prior Commission consent has been obtained.

**EXHIBIT 1**  
**FCC FORM 323**  
**FOR**  
**WHCT MANAGEMENT, INC.**

United States of America  
Federal Communications Commission  
Washington, D.C. 20554

## Ownership Report

NOTE. Before filling out this form, read instructions printed on Page 4.

Section 310(b) of the Communications Act of 1934 requires that consent of the Commission must be obtained *prior* to the assignment or transfer of control of a station license or construction permit. This form may *not* be used to report or request an assignment of license or transfer of control (except to report an assignment of license or transfer of control made pursuant to prior Commission consent).

I certify that I am \_\_\_\_\_  
(Official title, see Instruction 9)

of Exact legal title or name of licensee or permittee

that I have examined this report; that to the best of my knowledge, information, and belief, all statements of fact contained in said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth herein.

(Date of certification must be within 30 days of date shown in Item 1 when box 1(a) is checked and in no event prior to Item 1 date.):

\_\_\_\_\_, 19\_\_\_\_  
(Signature of respondent)

Telephone No. of respondent (include area code)

Any person who willfully makes false statements on this report can be punished by fine or imprisonment. U.S. Code, Title 18, Section 1001 (formerly Section 80).

Name and post office address of licensee or permittee:

1. All of the information furnished in Items 1-8 is reported as of \_\_\_\_\_, 19\_\_\_\_\_. (Date must comply with Section 73.3615(a) when box 1(a) below is checked.)  
This report is filed pursuant to instruction (check one)

1(a) ☐ Renewal      1(b) ☐ T.C., A.L.  
or C.P.      1(c) ☐ Change of  
prior report

for the following stations:

Call letters	Location	Class of service
WHCT	Hartford, CT	TV

2. Give the name of any corporation or other entity having a direct or indirect ownership interest in the licensee or permittee (see Instruction 4).

N/A

3. Show the interests in any other broadcast station of the licensee or permittee, or any of its officers, directors, stockholders, or partners. (Corporations having more than 50 stockholders need answer this only with respect to officers and directors, or stockholders having 1% or more of voting stock.)

N/A

4. Name of corporation, if other than licensee or permittee, for which report is filed (see Instruction 4):

**WICT Management, Inc.**

5. If permittee or licensee is a partnership, state the extent of interest of each partner.

N/A

6. List all contracts and other instruments set forth in Section 73.3613 of the Commission's Rules and Regulations.

Description of contract or instrument	Name of person or organization with whom contract is made	Date of execution	Date of expiration
Articles of Incorporation	N/A	5/29/84	Perpetual
By-Laws	N/A	5/29/84	Perpetual

Class of stock (preferred, common or other)	Voting or non-voting	If par, show par value	If no par show stated value or value assigned	Authorized	Issued and outstanding	Treasury	Unissued	Number of Stockholders
Common	Voting	\$.01	N/A	300,000	1,000		299,000	More than 50 Holders of Voting Stock No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> More than 50 Holders of Non-Voting Stock No <input checked="" type="checkbox"/> Yes <input type="checkbox"/>

7(h). Officers, directors and stock held by each: (See Instructions 3, 4, 5, 6, 7 and 8)

Name of residence and officers and directors	Citizenship	Office of Directorship		Number of class of stock		Other	Number of Votes	Percentage of voting stock held	Name of person replaced, if any
		Office held and date elected	Director- date elected	Common	Preferred				
Fred J. Boling, Jr. 24 Tophet Road Lynnfield, MA 01940	U.S.	President/ Treasurer	Yes	-0-	-0-	-0-	-0-	N/A	N/A
Herbert A. Sostek 65 E. Indiana Row #21-F Boston, MA 02110	U.S.	Chairman of the Board	Yes	-0-	-0-	-0-	-0-	N/A	N/A
Joel A. Gibbs Hilltop Avenue Wenham, MA 01984	U.S.	Vice Presi- dent	Yes	-0-	-0-	-0-	-0-	N/A	N/A

SUPPLEMENT  
ATTACHED

Remarks concerning family relationship, qualifying shares, etc.: (See Instructions 5 and 6)

Stock transactions concerning the ownership of stock. (If transaction includes more than one class of stock, the following should be answered with respect to each class.)

Note: (Read carefully) The numbered items refer to line numbers in the following table. Lines 1 thru 17 should be filled out completely when this form is filed to report stock transactions pursuant to Instruction 1(c). Lines 1 thru 8, inclusive, should be filled out when the form is used to report ownership after receipt of original construction permit, or consummation, pursuant to Commission consent, of a transfer of control, or assignment of license, pursuant to Instruction 1(b). Lines 1 thru 6, inclusive, should be filled out when the form is used to report pursuant to Instruction 1(a). Use one column per stockholder. (Attach additional pages if necessary.)

- |   |   |
|---|---|
| <p>Line 1 Name and residence of transferee, purchaser, or stockholder (If other than an individual also show name, address, and citizenship of natural person authorized to vote the stock acquired.)</p> <p>2 Citizenship</p> <p>3 Number of shares</p> <p>4 Number of votes</p> <p>5 Class of stock (Common CM; Preferred PF; Other)</p> <p>6 Par or stated value</p> <p>7 Total consideration paid (If other than cash, describe fully.)</p> <p>8 Date of acquisition</p> <p>9 Number of shares of stock held by purchaser or transferee prior to this transaction</p> <p>10 Percentage of issued stock in corporation held by purchaser or transferee prior to this transaction</p> | <p>Line 11 Total number of shares of stock held by purchaser or transferee subsequent to this transaction</p> <p>12 Percentage of issued stock in corporation held by purchaser or transferee subsequent to this transaction</p> <p>13 From whom stock acquired</p> <p>14 Number of shares of stock held by seller or transferor prior to this transaction</p> <p>15 Percentage of issued stock held by seller or transferor prior to this transaction</p> <p>16 Number of shares of stock held by seller or transferor subsequent to this transaction</p> <p>17 Percentage of issued stock held by seller or transferor subsequent to this transaction</p> |
|---|---|

Line	(a)	(b)	(c)
1	Astroline Company (a limited partnership)  [See Remarks Below]		
2	U.S.		
3	1,000		
4	1,000		
5	CM		
6	\$.01		
7	N/A		
8	5/29/84		
9	N/A		
10			
11			
12			
13			
14			
15			
16			
17			

marks: (See Instructions 3, 7 and 8.)

Herbert A. Sostek and Fred J. Boling, Jr. are General Partners in Astroline Company. They are authorized to vote the stock of WIOT Management, Inc. and are both U.S. citizens.

10: The purpose of the above computation is to assist the licensee or permittee in determining whether the transaction in question involves a transfer of control. If such is the case, the transaction cannot be authorized until prior Commission consent has been obtained.

## Instructions Ownership Report, FCC Form 323

- 1 This report is to be filed by AM, FM, International or Television broadcast stations as follows (See §73.3615):
  - (a) By licensees with the application for renewal of station license
  - (b) By licensees or permittees within 30 days after the consummation, pursuant to Commission consent, of a transfer of control, or an assignment of license or the grant of an original construction permit
  - (c) By licensees or permittees within 30 days after any changes in the information called for by this form.
  - (d) File one copy with the Federal Communications Commission, Washington, D.C. 20554. If information submitted is equally applicable to each station above listed, one report may be filed for all such stations, otherwise a separate report shall be filed for each station.
  - (e) Partnerships and individuals are to fill out Paragraphs 1, 2, 3, 5 and 6. Corporations and associations are to fill out Paragraphs 1, 2, 3, 4, 6, 7 and 8.
  - (f) This form is to be filled out completely when filed pursuant to (a) and (b) above. When filled out pursuant to (c), changes only need be noted.
- 2 Any contract or modification of contract relating to the ownership, control, or management of the licensee or permittee or its stock must be filed with the Commission, as required by Section 73.3613 of the Rules. Attention is directed to the fact that Section 73.3613 requires the filing of all contracts of the types specified and is not limited to executed contracts but includes options, pledges, and other executory agreements and contracts relating to ownership, control, or management.
- 3 This form should be used to report all types of transactions concerning stock, agreements, voting control, trusts, etc., including an acquisition or sale by a corporation of its stock:
  - (a) Where a corporation sells its own stock an explanation of the character of the shares sold (such as authorized but unissued, treasury stock, etc.) should be given under "Remarks", Paragraph 8, Page 3.
  - (b) Where a corporation acquires its own stock an explanation of the disposition made or proposed (such as cancelled, held as treasury stock, etc.) should be given under "Remarks", Paragraph 8, Page 3.
- 4 If the licensee or permittee is directly or indirectly controlled by another corporation, or, if another corporation has a 25% or greater ownership interest, direct or indirect, in such licensee or permittee (whether or not such interest constitutes control of the licensee or permittee), a separate Form 323 should be submitted to report changes in the officers, directors, or stockholders of such corporation or corporations.
- 5 Whether report is required as to stock interest, it should include beneficial as well as legal interests. In reporting the beneficial interests of a person not a stockholder of record or who has any other direct or indirect interest in the licensee or permittee, use the space provided for "Remarks" Paragraph 7, Page 2, or separate sheets to give full explanation.
- 6 Under "Remarks", Paragraph 7, Page 2, give a full information as to any family relationship (e.g. father-son, man-wife, brothers, sisters, uncle-nephew, cousins, etc.) or as to any business association (e.g. partners in other business enterprises, etc.) between one or more officers, directors, or stockholders of the licensee or permittee and any other officer, director, or stockholder who is the subject of this report.
- 7 Where information is required with respect to stockholders in corporations having more than 50 stockholders, such information need be filed only with respect to stockholders who are officers and directors or who have 1% or more of the stock of the corporation.
- 8 THIS FORM IS NOT TO BE USED TO REPORT OR REQUEST A TRANSFER OF CONTROL OR ASSIGNMENT OF LICENSE OR CONSTRUCTION PERMIT (except to report a transfer of control or assignment of license made pursuant to prior Commission consent). The appropriate forms for use in connection with such transfers or assignments are FCC Forms 314, 315 and 316. It is the prime responsibility of the licensee or permittee to determine whether a given transaction constitutes a transfer of control or an assignment. However, for purposes of example only, and for the convenience of interested persons, there are listed below some of the more common types of transfers concerning which doubt exists in the minds of broadcasters.
 

A transfer of control takes place when:

  - 1) An individual stockholder gains or loses affirmative or negative (50%) control. (Affirmative control consists of control of more than 50% of voting stock, negative control consists of control of exactly 50% of voting stock.)
  - 2) Any family group or any individual in a family group gains or loses affirmative or negative (50%) control. (See also Instruction 6.)
  - 3) Any group in privity gains or loses affirmative or negative (50%) control.

The following are examples of transfers of control or assignments of licenses requiring prior Commission consent:

  - 1) A, who owns 51% of the licensee's or permittee's stock, sells 1% or more thereof to B. A transfer has been effected.
  - 2) X corporation, wholly owned by Y family, reduced outstanding stock by purchase of treasury stock which results in family member A's individual holdings being increased to 50% or more. A transfer has been effected.
  - 3) A and B, man and wife, each own 50% of the licensee's or permittee's stock. A sells any of his stock to B. A transfer has been effected.
  - 4) A is a partner in the licensee. A sells any part of his interest to newcomer C or existing partner C. An assignment has been effected.
  - 5) X partnership incorporates. An assignment has been effected.
  - 6) Minority stockholders form a voting trust to vote their 50% or more combined stockholdings. A transfer has been effected.
  - 7) A, B, C, D and E each own 20% of the stock of X corporation. A, B and C sell their stock to F, G and H at different times. A transfer is effected at such time as C sells 10% or more of his stock. In other words, a transfer is effectuated at such time as 50% or more of the stock passes out of the hands of the stockholders who held stock at the time the original authorization for the licensee or permittee corporation was issued.
- 9 The official title of the respondent must be the individual licensee or permittee, a partner in the licensee or permittee partnership, or an officer in the licensee or permittee corporation.

SUPPLEMENT TO  
FCC FORM 323  
FOR  
WHCT MANAGEMENT, INC.

7(b). Officers, directors and stock held by each:

Richard H. Gibbs 60 Puritan Lane Swampscott, MA 01907	U.S.	Vice President	Yes	-0-	-0-	-0-	-0-	N/A	N/A
---	------	----------------	-----	-----	-----	-----	-----	-----	-----

William C. Lance 518 Chestnut Street Waban, MA 02168	U.S.	Clerk	Yes	-0-	-0-	-0-	-0-	N/A	N/A
--	------	-------	-----	-----	-----	-----	-----	-----	-----

**EXHIBIT 2**

Astroline Communications Company Limited Partnership ("ACC") is a limited partnership. The General Partners in ACC are Richard P. Ramirez and WHCT Management, Inc. The Limited Partner in ACC is Astroline Company. The respective equity interests and voting interests of the partners in ACC are as follows:

<u>GENERAL PARTNERS</u>	<u>EQUITY INTEREST</u>	<u>VOTING INTEREST</u>
Richard P. Ramirez	21%	70%
WHCT Management, Inc.	9%	30%
<u>LIMITED PARTNER</u>		
Astroline Company	70%	None

A separate Ownership Report (FCC Form 323) is being submitted for WHCT Management, Inc. as Exhibit 1.

ACC certifies that its Limited Partnership Agreement and Certificate conforms in all significant respects to the Uniform Limited Partnership Act.

# ASTROLINE COMMUNICATIONS COMPANY LIMITED PARTNERSHIP

## Schedule A

<u>General Partners</u>	<u>Capital Contribution</u>	<u>Percentage Interest</u>
Richard P. Ramirez 39 Chestnut Street Boston, MA 02108	\$200	21%
WHCT Management, Inc. 855R Broadway Saugus, MA 01906	\$100	9%
<u>Limited Partner</u>		
Astroline Company 855R Broadway Saugus, MA 01906	\$700	70%



## Davenport - Direct

1 alternatives for allocating partnership items to the  
2 partners.

3 MR. IZARD: Your Honor, I offer Exhibit 41.

4 MR. DURRSCHMIDT: No objection.

5 MR. NOLAN: No objection.

6 THE COURT: Full exhibit.

7 BY MR. IZARD:

8 Q Now, why did you prepare Exhibit 41?

9 A It's an explanation of a proposed change to the allocation  
10 of the partnership's gains or losses to the partners primarily  
11 to alter the tax benefits of the losses.

12 Q To what extent was Arthur Andersen involved in the process  
13 of advising on allocating change --

14 A We were -- yes. When I first became involved, the  
15 structure of the venture had not been finalized. And one of  
16 my responsibilities as a tax adviser is to try to advise  
17 concerning the most efficient tax structure for the deal.

18 Q As of this time, what experience did you have in advising  
19 regarding partnership tax structures?

20 A I had several other partnership clients that had similar  
21 allocation approaches.

22 Q When you say "similar allocation" structures, what do you  
23 mean by "similar"?

24 A In which there is an allocation of the expenses incurred  
25 by a partnership to a group of partners during the earlier

## Davenport - Direct

1 stages of the partnership, generally, the group that is  
2 actually providing the funds for those expenses, with the idea  
3 that it subsequently be reversed when the partnership becomes  
4 profitable.

5 Q And what do you mean by "profitable"?

6 A Generally, the idea is that you would allocate losses one  
7 way, and then, once the partnership began generating income,  
8 you would allocate the income to those same partners until  
9 they have an allocated income sufficient to offset the losses  
10 they had been previously allocated.

11 Q And is that to bring their capital accounts back to zero?

12 A Generally, yes.

13 Q And in your experience, have you been involved in any  
14 challenges by the Internal Revenue Service regarding  
15 partnerships with these structures?

16 A I have not.

17 Q Now, throughout the -- in addition to working on the  
18 initial -- working on the allocation of profits and losses,  
19 did you provide any other services to Astroline Communications  
20 Company, Limited Partnership?

21 A I served the various tax consulting through the years if  
22 tax issues were raised. And, also, we were responsible for  
23 the preparation of the income tax returns for the  
24 partnership.

25 Q And in the course of performing these services, who did

## Davenport - Direct/Cross

1 you deal with at Astroline Communications Company, Limited  
2 Partnership?

3 A Rich Ramirez.

4 Q And to what extent did you deal with Fred Boling?

5 A Not at all, basically, on these issues.

6 Q Did you deal with Mr. Boling on any issues regarding  
7 Astroline Communications Company, Limited Partnership?

8 A Other than the initial meetings on the structuring of the  
9 partnership, I don't remember having ongoing contact with  
10 Fred, Mr. Boling, concerning partnership matters.

11 Q Okay. And did you have any dealings with Mr. Sostek  
12 regarding Astroline Communications Company, Limited  
13 Partnership?

14 A The same. After the initial meetings, no further  
15 contact.

16 MR. IZARD: I have no further questions.

17 CROSS-EXAMINATION

18 BY MR. DURRSCHMIDT:

19 Q Mr. Davenport, the separate profit/loss allocation  
20 distinction, as set forth in Exhibit 41, versus an ownership  
21 percentage, is that authorized by the Internal Revenue Code?

22 A Yes. You can have special allocations permissible under  
23 the Internal Revenue Code.

24 Q So that you can have a different allocation for profit and  
25 loss from the percentage of ownership?



## INTEROFFICE COMMUNICATION

TO \_\_\_\_\_ OFFICE FROM BOSTON \_\_\_\_\_ OFFICE

FOR MEMORANDUM FOR THE FILES FROM KENT W. DAVENPORT

DATE MAY 6, 1985

JOB OR  
ACCOUNT NO.

SUBJECT ASTROLINE COMMUNICATIONS COMPANY - PROFIT/LOSS  
SHARING RATIOS

The currently proposed profit/loss sharing ratio between the general and limited partners of Astroline Communications Company is 30% to the generals and 70% to the limiteds. For various business reasons, it is now being considered to make the following changes to the profit/loss sharing ratios:

1. Initial losses will be allocated between the general and limited partners on a respective 5/95% sharing ratio.
2. Subsequent profits, to the extent of prior cumulative losses, will also be allocated between the general and limited partners on a respective 5/95% sharing ratio.
3. At the point that the allocated profits pursuant to step No. 2 above equal the allocated losses pursuant to step No. 1 above, all future profits and losses will be allocated between the general and limited partners on a respective 30/70% sharing ratio.

Attached is a very simple illustration which compares the current allocation method to the new method being proposed. The amounts used in the illustration have been chosen for simplicity and do not attempt to represent actual profits or losses projected for the partnership. Also for simplicity's sake, no allocations have been made within either the general or limited partner group. To the extent there are special allocations to be made within such partnership groups, these details would have to be addressed separately. However, there appears to be no reason why such special allocations could not be made consistent with either of the overall approaches being used in the illustration.

In Group A on the attached schedule, certain assumptions are being made relating to the profits and losses for the five years being used in the example. In Group B, these profit and loss amounts are being allocated on the current 30/70% approach. Group C illustrates the profits and losses

Circulate To	Noted
Specific Filing Instructions <i>This will be returned if not filled in.</i>	
Also Check ( ) or Write in Company or Other Filing Name	
Acknowledgment Copy Return	

By \_\_\_\_\_

INTEROFFICE COMMUNICATION

ASTROLINE COMMUNICATIONS  
COMPANY

- 2 -

MAY 6, 1985

being allocated on the new proposed 5/95% method which reverts to a 30/70% method upon the partnership's reaching its "break-even" point.

The most important points to be noted in the comparison are:

1. Although Group C allocates a greater portion of the early losses to the limited partners, once the partnership reaches the breakeven point, those additional early losses will have been offset by an equal amount of additional profits allocated to the limited partners.
2. To state it from the general partners' position, while the general partners will be allocated less deductible losses during the earlier years, less taxable income will have to be allocated to them to return them to their initial capital position.
3. At the breakeven point in year 4, all partners will have been allocated equal net cumulative profits and losses under both Group B and Group C.
4. After the general and limited partners have been allocated profits equal to allocated losses, they will share in all future profits and losses on the original 30/70% basis.
5. Once the partnership reaches the breakeven point, the general and limited partners' net cumulative income which will have been allocated to them and their respective capital accounts will be the same under both methods being compared.

Although in my example I assume that the partnership reached the breakeven point at the end of a specific year, this assumption is probably unrealistic. Under the proposed method, if the breakeven point were to occur during a year, the pre-breakeven profits would be allocated under the 5/95% method and the post-breakeven profits would be allocated under the 30/70% method.

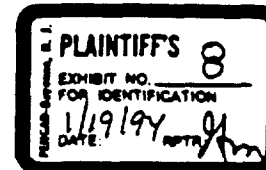
KENT W. DAVENPORT

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LL. WLL > 1/8/87

ARTHUR ANDERSEN & CO.



ONE INTERNATIONAL PLACE  
100 OLIVER STREET  
BOSTON, MASSACHUSETTS 02110  
(617) 330-4000

May 5, 1987

Mr. Fred J. Boling, Jr.  
President  
Astroline Company  
231 John Street  
Reading, Massachusetts 01867

Dear Fred:

Enclosed is a final draft of the financial statements resulting from our examination of the Partnership's financial statements for the year ended December 31, 1986. These financial statements include changes suggested by Carter Bacon and Bill Lance. I have forwarded a copy to Rich in Hartford for his review also.

Please review footnote #6 to ensure that it is consistent with your understanding of the current situation. The only open item is the general representation letter which has been forwarded to Rich for his signature and then for your signature under separate cover.

Very truly yours,

ARTHUR ANDERSEN & CO.

By

George R. Neble

PJG

Enclosure

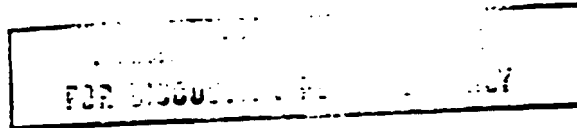
Copies with enclosure to: ✓ Carter Bacon, Esquire  
Peabody and Brown

Mr. Richard Ramirez, General Manager  
Astroline Communications

RC 006642

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PB 004746



**ASTROLINE COMMUNICATIONS COMPANY LIMITED PARTNERSHIP**  
.....

**FINANCIAL STATEMENTS AS OF DECEMBER 31, 1986 AND 1985**  
**TOGETHER WITH AUDITORS' REPORT**

RC 006643

PB 004747

PREPARED BY  
FOR DISCUSSION ONLY

To the Partners of

Astroline Communications Company Limited Partnership:

We have examined the balance sheets of ASTROLINE COMMUNICATIONS COMPANY LIMITED PARTNERSHIP (a Massachusetts limited partnership) as of December 31, 1986 and 1985 and the related statements of operations, changes in financial position and changes in partners' capital for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As more fully discussed in Note 6 of the accompanying financial statements, the Federal Communication Commission (FCC) transfer of the station's permanent broadcast license has been contested by a third party. Although the Partnership believes that the FCC's initial transfer will not be overturned, if the Partnership is not allowed to obtain a permanent license, it may be unable to continue in existence.

In our opinion, subject to the effects of the outcome of the uncertainty referred to in the preceding paragraphs, the financial statements referred to above present fairly the financial position of Astroline Communications Company Limited Partnership as of December 31, 1986 and 1985 and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

April 29, 1987.

RC 006644

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**BALANCE SHEETS - DECEMBER 31, 1986 AND 1985****LIABILITIES AND PARTNERS' CAPITAL**

**PB 004749**

**The accompanying notes are an integral part of these financial statements.**